

**DETAILS, COMPLEXITY CONSPICUOUSLY ABSENT**

# What the CFE report left unsaid is critical to future success



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The dust has barely settled with the release of the Report of the Committee on the Future Economy (CFE), and already commentators are out in droves scrutinising the minutia of the strategies.

No doubt the debates will continue, especially during Budget 2017 time. But let us appreciate that the CFE report is simply that: A report. It remains to be seen how the recommendations are interpreted, elaborated and implemented.

Still, there are some elements of the report worth highlighting.

The first is the report itself, and the very notion of the “plan”. The CFE report is simply the latest in a series of grand national economic plans produced by high-powered committees.

Such exercises in strategy-making are based on three main assumptions: The primacy of the Government in charting Singapore’s future directions (albeit with broad consultation with different stakeholders), the efficiency of top-down, centralised planning and, not least of all, the very ability to plan ahead in near-excruciating detail.

On the latter point, the absence of the meticulous details that characterised previous reports and that we have come to expect showcases the increasing limitations of the “plan”. In a paradoxical way, the CFE report is very much a strategy for these uncertain times.

Indeed, what we have is a crude, broad-brushstrokes strategy that is in fact an appropriate fit with such uncertainties and disruptions.

The report is instructive in that it reveals that previously we had a “programme”, as opposed to a strategy. For example, where 2010’s Economic Strategies Committee spelled out concrete proposals on enhancing productivity, the CFE report is mainly an exhortation to remain open to the global economy and to be agile in the face of disruptions.



A programme establishes a series of actions that are decided ahead of time, and which must unfold in a predetermined sequence in order to accomplish an objective.

Obviously, a programme functions in an environment that is relatively stable and predictable. Far from denigrating it as painfully vacuous, the crude strategy articulated in the report is one that provides broad guidance on how to adapt to new information and chance events as they arise. To expect it to do more is to ignore the complex challenges of the future economy.

In a sense, it would have been disconcerting if, at this level of development, Singaporeans are still looking to “the plan” to descend ex-machina to provide guidance for the economy’s next steps.

While the CFE exercise inadvertently reveals the limits to what the state can do to address complex challenges, we should also hear it as a clarion call to Singaporeans to shake off their propensity to leave things to the Government. Indeed, the inevitable gaps in the report are like the silences between notes in a musical score:

**Singaporeans should look at the Report of the Committee on the Future Economy as a clarion call to shake off their propensity to leave things to the Government.**

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They are an integral part of the music, and are opportunities for different players to improvise and embellish.

The second noteworthy element of the report is what is conspicuous by its absence: Complexity.

For all of its appreciation of complexity science, the Government’s approach to the CFE was far from being a holistic one.

Partly, this is due to the economic imperative that has long undergirded Singapore’s philosophy: To talk of the future of Singapore is essentially to talk of the future of Singapore’s economy.

If, as complexity science suggests, everything is connected to everything else, then the way ahead for Singapore cannot be simply defined in economic terms and tackled through primarily economic instruments.

After all, participants in the economy do not simply pop into existence, but emerge as products of different life-shaping experiences in schools, families and the broader community.

For example, it remains to be seen how qualities such as nimbleness, the ability to collaborate and innovativeness — qualities lauded by the CFE

report — are to develop from an education system that incentivises and privileges qualities that are the antitheses of the former.

Furthermore, while the report enjoined Singaporeans to remain open to disruption and to continuously adapt through developing new skills, it painted a lopsided picture of disruption.

While disruptions — automation, new paradigms such as the sharing economy and so forth — are competence-destroying, they are also institutions-destroying: They call into question existing socio-cultural and political arrangements and systems. We forget that our regulatory frameworks, social compacts, value systems and education ethos were appropriate to a particular historical period.

As the economist Thorstein Veblen pointed out in his 1915 essay, the rise of Germany as an industrial power was partly enabled by Britain’s failure to tear down and remake its prevailing institutions and deeply-entrenched ways of doing things in order to accommodate new technologies.

Finally, one of the most important factors for Singapore’s future success is in fact national solidarity, or how well her people can create for one another an island of stability and prosperity in an increasingly uncertain world. The report alluded to this in an almost throwaway line in the letter to the Prime Minister, saying, “Our ability to work with and trust one another will be our distinct competitive advantage ...”

Indeed, social capital and social support may very well be the distinct competitive advantage in an era when these are under pressure in many places. Whereas in the past, Singapore goes as the economy goes; today and tomorrow, it may be that the economy goes as Singapore(ans) go.

This trust cannot be assumed, and if issues of income inequality, redistribution and social safety nets are not meaningfully addressed, that trust and social cohesion may well unravel amid a politics of resentment and disenfranchisement.

While we should recognise that the CFE report was intended to focus mainly on economic issues, one still hopes that the point on building up social trust and social capital is elaborated on. And soon.

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